



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1642

Introduced 2/19/2009, by Sen. Donne E. Trotter

SYNOPSIS AS INTRODUCED:

40 ILCS 5/13-303	from Ch. 108 1/2, par. 13-303
40 ILCS 5/13-308	from Ch. 108 1/2, par. 13-308
40 ILCS 5/13-309	from Ch. 108 1/2, par. 13-309
40 ILCS 5/13-314	from Ch. 108 1/2, par. 13-314
40 ILCS 5/13-403	from Ch. 108 1/2, par. 13-403
40 ILCS 5/13-601	from Ch. 108 1/2, par. 13-601
30 ILCS 805/8.33 new	

Amends the Metropolitan Water Reclamation District Article of the Illinois Pension Code. Makes changes in provisions concerning reversionary annuities, child annuities, duty disability benefits, and refunds. Allows a contributing employee or commissioner to establish additional service credit for certain active military service. Makes other changes. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB096 08015 AMC 18120 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing
5 Sections 13-303, 13-308, 13-309, 13-314, 13-403, and 13-601 as
6 follows:

7 (40 ILCS 5/13-303) (from Ch. 108 1/2, par. 13-303)

8 Sec. 13-303. Reversionary annuity.

9 (a) An employee, prior to retirement on annuity, may elect
10 a lesser amount of annuity and provide, with the actuarial
11 value of the amount by which his annuity is reduced, a
12 reversionary annuity for a wife, husband, parents, children,
13 brothers or sisters. The election may be exercised by filing a
14 written designation with the Board prior to retirement, and may
15 be revoked by the employee at any time before retirement. The
16 death of the employee prior to retirement shall automatically
17 void the election.

18 (b) The death of the designated reversionary annuitant
19 prior to the employee's retirement shall automatically void the
20 election, but, if death of the designated reversionary
21 annuitant occurs after retirement, the reduced annuity being
22 paid to the retired employee annuitant shall remain unchanged
23 and no reversionary annuity shall be payable.

1 No reversionary annuity shall be paid if the employee dies
2 before the expiration of 730 days from the date the written
3 designation was filed with the board, even though the employee
4 retired and was receiving a reduced annuity.

5 (c) An employee exercising this option shall not reduce the
6 annuity by more than 25%, nor elect to provide a reversionary
7 annuity of less than \$100 per month. No such option shall be
8 permitted if the reversionary annuity for a surviving spouse,
9 when added to the surviving spouse's annuity payable under this
10 Article, exceeds 85% of the reduced annuity payable to the
11 employee.

12 (d) A reversionary annuity shall begin on the day following
13 the death of the annuitant, with the first payment due and
14 payable one month later, and shall continue monthly thereafter
15 until the death of the reversionary annuitant. Beginning on the
16 first day of the month following the month in which this
17 amendatory Act of the 96th General Assembly takes effect, a
18 reversionary annuity shall begin on the first of the month
19 following the annuitant's death and is payable for the full
20 month if the reversionary annuitant is alive on the first day
21 of the month.

22 (e) The increases in annuity provided in Section 13-302(d)
23 shall, as to an employee so electing a reduced annuity, relate
24 to the amount of reduced annuity, and such lesser amount shall
25 constitute the annuity on which such increases shall be based.

26 (f) For determining the actuarial value under this option

1 of the employee's annuity and the reversionary annuity, the
2 Fund shall use an actuarial table recommended by the Fund's
3 actuarial consultant and approved by the Board of Trustees.
4 (Source: P.A. 91-887, eff. 7-6-00.)

5 (40 ILCS 5/13-308) (from Ch. 108 1/2, par. 13-308)
6 Sec. 13-308. Child's annuity.

7 (a) Eligibility. A child's annuity shall be provided for
8 each unmarried child under the age of 18 years (under the age
9 of 23 years in the case of a full-time student) whose employee
10 parent dies while in service, or whose deceased parent is an
11 annuitant or former employee with at least 10 years of
12 creditable service who did not take a refund of employee
13 contributions. Eligibility for benefits to unmarried children
14 over the age of 18 but under the age of 23 begins no earlier
15 than September 1, 2005 ~~the first day of the month following the~~
16 ~~month in which this amendatory Act of the 94th General Assembly~~
17 ~~takes effect.~~

18 For purposes of this Section, "employee" includes a former
19 employee, and "child" means the issue of an employee or a child
20 adopted by an employee.

21 Payments shall cease when a child attains the age of 18
22 years (age of 23 years in the case of a full-time student) or
23 marries, whichever first occurs. The annuity shall not be
24 payable unless the employee has been employed as an employee
25 for at least 36 months from the date of the employee's original

1 entry into service (at least 24 months in the case of an
2 employee who first entered service before June 13, 1997) and at
3 least 12 months from the date of the employee's latest re-entry
4 into service; provided, however, that if death arises out of
5 and in the course of service to the employer and is compensable
6 under either the Illinois Workers' Compensation Act or Illinois
7 Workers' Occupational Diseases Act, the annuity is payable
8 regardless of the employee's length of service.

9 (b) Amount. Beginning on the first day of the month
10 following the month in which this amendatory Act of the 96th
11 General Assembly takes effect, a ~~A~~ child's annuity shall be
12 \$500 per month for each ~~one~~ child ~~and \$350 per month for each~~
13 ~~additional child~~, up to a maximum of \$5,000 ~~\$2,500~~ per month
14 for all children of the employee, as provided in this Section,
15 if a parent of the child is living. The child's annuity shall
16 be \$1,000 per month for each ~~one~~ child ~~and \$500 per month for~~
17 ~~each additional child~~, up to a maximum of \$5,000 ~~\$2,500~~ for all
18 children of the employee, when neither parent is alive. The
19 total amount payable to all children of the employee shall be
20 divided equally among those children. ~~Any child's annuity which~~
21 ~~commenced prior to July 12, 2001 shall be increased upon the~~
22 ~~first day of the month following the month in which that~~
23 ~~effective date occurs, to the amount set forth herein.~~

24 (c) Payment. Until a child attains the age of 18 years, a
25 child's annuity shall be paid to the child's parent or other
26 person who shall be providing for the child without requiring

1 formal letters of guardianship, unless another person shall be
2 appointed by a court of law as guardian. Beginning on the first
3 day of the month following the month in which this amendatory
4 Act of the 96th General Assembly takes effect, benefits shall
5 begin on the first of the month following the employee's or
6 annuitants date of death and are payable for the full month if
7 the annuitant was alive on the first day of the month.

8 (Source: P.A. 94-621, eff. 8-18-05; 95-279, eff. 1-1-08.)

9 (40 ILCS 5/13-309) (from Ch. 108 1/2, par. 13-309)

10 Sec. 13-309. Duty disability benefit.

11 (a) Any employee who becomes disabled, which disability is
12 the result of an injury or illness compensable under the
13 Illinois Workers' Compensation Act or the Illinois Workers'
14 Occupational Diseases Act, is entitled to a duty disability
15 benefit during the period of disability for which the employee
16 does not receive any part of salary, or any part of a
17 retirement annuity under this Article; except that in the case
18 of an employee who first enters service on or after June 13,
19 1997 and becomes disabled before August 18, 2005 (the effective
20 date of Public Act 94-621) ~~this amendatory Act of the 94th~~
21 ~~General Assembly~~, a duty disability benefit is not payable for
22 the first 3 days of disability that would otherwise be payable
23 under this Section if the disability does not continue for at
24 least 11 additional days. The changes made to this Section by
25 Public Act 94-621 ~~this amendatory Act of the 94th General~~

1 ~~Assembly~~ are prospective only and do not entitle an employee to
2 a duty disability benefit for the first 3 days of any
3 disability that occurred before that effective date and did not
4 continue for at least 11 additional days. This benefit shall be
5 75% of salary at the date disability begins. However, if the
6 disability in any measure resulted from any physical defect or
7 disease which existed at the time such injury was sustained or
8 such illness commenced, the duty disability benefit shall be
9 50% of salary.

10 Unless the employer acknowledges that the disability is a
11 result of injury or illness compensable under the Workers'
12 Compensation Act or the Workers' Occupational Diseases Act, the
13 duty disability benefit shall not be payable until the issue of
14 compensability under those Acts is finally adjudicated. The
15 period of disability shall be as determined by the Illinois
16 Workers' Compensation Commission or acknowledged by the
17 employer.

18 An employee in service before June 13, 1997 shall also
19 receive a child's disability benefit during the period of
20 disability of \$10 per month for each unmarried natural or
21 adopted child of the employee under 18 years of age.

22 The first payment shall be made not later than one month
23 after the benefit is granted, and subsequent payments shall be
24 made at least monthly. The Board shall by rule prescribe for
25 the payment of such benefits on the basis of the amount of
26 salary lost during the period of disability.

1 (b) The benefit shall be allowed only if all of the
2 following requirements are met by the employee:

3 (1) Application is made to the Board, ~~within 90 days~~
4 ~~from the date disability begins;~~

5 (2) A medical report is submitted by at least one
6 licensed and practicing physician as part of the employee's
7 application, ~~and~~

8 (3) The employee is examined by at least one licensed
9 and practicing physician appointed by the Board and found
10 to be in a disabled physical condition, and shall be
11 re-examined at least annually thereafter during the
12 continuance of disability. The employee need not be
13 examined ~~re-examined~~ by a licensed and practicing
14 physician appointed by the Board if the attorney for the
15 district certifies in writing that the employee is entitled
16 to receive compensation under the Workers' Compensation
17 Act or the Workers' Occupational Diseases Act. The Board
18 may require other evidence of disability.

19 (c) The benefit shall terminate when:

20 (1) The employee returns to work or receives a
21 retirement annuity paid wholly or in part under this
22 Article;

23 (2) The disability ceases;

24 (3) The employee attains age 65, but if the employee
25 becomes disabled at age 60 or later, benefits may be
26 extended for a period of no more than 5 years after

1 disablement;

2 (4) The employee (i) refuses to submit to reasonable
3 examinations by physicians or other health professionals
4 appointed by the Board, (ii) fails or refuses to consent to
5 and sign an authorization allowing the Board to receive
6 copies of or to examine the employee's medical and hospital
7 records, or (iii) fails or refuses to provide complete
8 information regarding any other employment for
9 compensation he or she has received since becoming
10 disabled; or

11 (5) The employee willfully and continuously refuses to
12 follow medical advice and treatment to enable the employee
13 to return to work. However this provision does not apply to
14 an employee who relies in good faith on treatment by prayer
15 through spiritual means alone in accordance with the tenets
16 and practice of a recognized church or religious
17 denomination, by a duly accredited practitioner thereof.

18 In the case of a duty disability recipient who returns to
19 work, the employee must make application to the Retirement
20 Board within 2 years from the date the employee last received
21 duty disability benefits in order to become again entitled to
22 duty disability benefits based on the injury for which a duty
23 disability benefit was theretofore paid.

24 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

25 (40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)

1 Sec. 13-314. Alternative provisions for Water Reclamation
2 District commissioners.

3 (a) Transfer of credits. Any Water Reclamation District
4 commissioner elected by vote of the people and who has elected
5 to participate in this Fund may transfer to this Fund credits
6 and creditable service accumulated under any other pension fund
7 or retirement system established under Articles 2 through 18 of
8 this Code, upon payment to the Fund of (1) the amount by which
9 the employer and employee contributions that would have been
10 required if he had participated in this Fund during the period
11 for which credit is being transferred, plus interest, exceeds
12 the amounts actually transferred from such other fund or system
13 to this Fund, plus (2) interest thereon at 6% per year
14 compounded annually from the date of transfer to the date of
15 payment.

16 (b) Alternative annuity. Any participant commissioner may
17 elect to establish alternative credits for an alternative
18 annuity by electing in writing to make additional optional
19 contributions in accordance with this Section and procedures
20 established by the Board. Unless and until such time as the
21 U.S. Internal Revenue Service or the federal courts provide a
22 favorable ruling as described in Section 13-502(f), a
23 commissioner may discontinue making the additional optional
24 contributions by notifying the Fund in writing in accordance
25 with this Section and procedures established by the Board.

26 Additional optional contributions for the alternative

1 annuity shall be as follows:

2 (1) For service after the option is elected, an
3 additional contribution of 3% of salary shall be
4 contributed to the Fund on the same basis and under the
5 same conditions as contributions required under Section
6 13-502.

7 (2) For contributions on past service, the additional
8 contribution shall be 3% of the salary for the applicable
9 period of service, plus interest at the annual rate from
10 time to time as determined by the Board, compounded
11 annually from the date of service to the date of payment.
12 Contributions for service before the option is elected may
13 be made in a lump sum payment to the Fund or by
14 contributing to the Fund on the same basis and under the
15 same conditions as contributions required under Section
16 13-502. All payments for past service must be paid in full
17 before credit is given. No additional optional
18 contributions may be made for any period of service for
19 which credit has been previously forfeited by acceptance of
20 a refund, unless the refund is repaid in full with interest
21 at the rate specified in Section 13-603, from the date of
22 refund to the date of repayment.

23 In lieu of the retirement annuity otherwise payable under
24 this Article, any commissioner who has elected to participate
25 in the Fund and make additional optional contributions in
26 accordance with this Section, has attained age 55, and has at

1 least 6 years of service credit, may elect to have the
2 retirement annuity computed as follows: 3% of the participant's
3 average final salary as a commissioner for each of the first 8
4 years of service credit, plus 4% of such salary for each of the
5 next 4 years of service credit, plus 5% of such salary for each
6 year of service credit in excess of 12 years, subject to a
7 maximum of 80% of such salary. To the extent such commissioner
8 has made additional optional contributions with respect to only
9 a portion of years of service credit, the retirement annuity
10 will first be determined in accordance with this Section to the
11 extent such additional optional contributions were made, and
12 then in accordance with the remaining Sections of this Article
13 to the extent of years of service credit with respect to which
14 additional optional contributions were not made. The change in
15 minimum retirement age (from 60 to 55) made by Public Act
16 87-1265 ~~this amendatory Act of 1993~~ applies to persons who
17 begin receiving a retirement annuity under this Section on or
18 after January 25, 1993 (the effective date of Public Act
19 87-1265) ~~this amendatory Act~~, without regard to whether they
20 are in service on or after that date.

21 (c) Disability benefits. In lieu of the disability benefits
22 otherwise payable under this Article, any commissioner who (1)
23 has elected to participate in the Fund, and (2) has become
24 permanently disabled and as a consequence is unable to perform
25 the duties of office, and (3) was making optional contributions
26 in accordance with this Section at the time the disability was

1 incurred, may elect to receive a disability annuity calculated
2 in accordance with the formula in subsection (b). For the
3 purposes of this subsection, such commissioner shall be
4 considered permanently disabled only if: (i) disability occurs
5 while in service as a commissioner and is of such a nature as
6 to prevent the reasonable performance of the duties of office
7 at the time; and (ii) the Board has received a written
8 certification by at least 2 licensed physicians appointed by it
9 stating that such commissioner is disabled and that the
10 disability is likely to be permanent.

11 (d) Alternative survivor's benefits. In lieu of the
12 survivor's benefits otherwise payable under this Article, the
13 spouse or eligible child of any deceased commissioner who (1)
14 had elected to participate in the Fund, and (2) was either
15 making (or had already made) additional optional contributions
16 on the date of death, or was receiving an annuity calculated
17 under this Section at the time of death, may elect to receive
18 an annuity beginning on the date of the commissioner's death,
19 provided that the spouse and commissioner must have been
20 married on the date of the last termination of a service as
21 commissioner and for a continuous period of at least one year
22 immediately preceding death.

23 The annuity shall be payable beginning on the date of the
24 commissioner's death if the spouse is then age 50 or over, or
25 beginning at age 50 if the age of the spouse is less than 50
26 years. If a minor unmarried child or children of the

1 commissioner, under age 18 (age 23 in the case of a full-time
2 student), also survive, and the child or children are under the
3 care of the eligible spouse, the annuity shall begin as of the
4 date of death of the commissioner without regard to the
5 spouse's age. Beginning on the first day of the month following
6 the month in which this amendatory Act of the 96th General
7 Assembly takes effect, benefits shall begin on the first of the
8 month following the commissioner's date of death if the spouse
9 is then age 50 or over or, if a minor unmarried child or
10 children of the commissioner, under age 18 (age 23 in the case
11 of a full time student), also survive, and the child or
12 children are under the care of the eligible spouse. The benefit
13 is payable for the full month if the annuitant was alive on the
14 first day of the month.

15 The annuity to a spouse shall be the greater of (i) 66 2/3%
16 of the amount of retirement annuity earned by the commissioner
17 on the date of death, subject to a minimum payment of 10% of
18 salary, provided that if an eligible spouse, regardless of age,
19 has in his or her care at the date of death of the commissioner
20 any unmarried child or children of the commissioner under age
21 18, the minimum annuity shall be 30% of the commissioner's
22 salary, plus 10% of salary on account of each minor child of
23 the commissioner, subject to a combined total payment on
24 account of a spouse and minor children not to exceed 50% of the
25 deceased commissioner's salary or (ii) for the spouse of a
26 commissioner whose death occurs on or after August 18, 2005

1 ~~(the effective date of Public Act 94-621) ~~this amendatory Act~~~~
2 ~~of the 94th General Assembly,~~ the surviving spouse annuity
3 shall be computed in the same manner as described in Section
4 13-306(a). The number of total service years used to calculate
5 the commissioner's annuity shall be the number of service years
6 used to calculate the annuity for that commissioner's surviving
7 spouse. In the event there shall be no spouse of the
8 commissioner surviving, or should a spouse die while eligible
9 minor children still survive the commissioner, each such child
10 shall be entitled to an annuity equal to 20% of salary of the
11 commissioner subject to a combined total payment on account of
12 all such children not to exceed 50% of salary of the
13 commissioner. The salary to be used in the calculation of these
14 benefits shall be the same as that prescribed for determining a
15 retirement annuity as provided in subsection (b) of this
16 Section.

17 Upon the death of a commissioner occurring after
18 termination of a service or while in receipt of a retirement
19 annuity, the combined total payment to a spouse and minor
20 children, or to minor children alone if no eligible spouse
21 survives, shall be limited to 85% of the amount of retirement
22 annuity earned by the commissioner.

23 Marriage of a child or attainment of age 18 (age 23 in the
24 case of a full-time student), whichever first occurs, shall
25 render the child ineligible for further consideration in the
26 payment of annuity to a spouse or in the increase in the amount

1 thereof. Upon attainment of ineligibility of the youngest minor
2 child of the commissioner, the annuity shall immediately revert
3 to the amount payable upon death of a commissioner leaving no
4 minor children surviving. If the spouse is under age 50 at such
5 time, the annuity as revised shall be deferred until such age
6 is attained.

7 (e) Refunds. Refunds of additional optional contributions
8 shall be made on the same basis and under the same conditions
9 as provided under Section 13-601. Interest shall be credited on
10 the same basis and under the same conditions as for other
11 contributions.

12 Optional contributions shall be accounted for in a separate
13 Commission's Optional Contribution Reserve. Optional
14 contributions under this Section shall be included in the
15 amount of employee contributions used to compute the tax levy
16 under Section 13-503.

17 (f) Effective date. The effective date of this plan of
18 optional alternative benefits and contributions shall be the
19 date upon which approval was received from the U.S. Internal
20 Revenue Service. The plan of optional alternative benefits and
21 contributions shall not be available to any former employee
22 receiving an annuity from the Fund on the effective date,
23 unless said former employee re-enters service and renders at
24 least 3 years of additional service after the date of re-entry
25 as a commissioner.

26 (Source: P.A. 94-621, eff. 8-18-05; 95-279, eff. 1-1-08.)

1 (40 ILCS 5/13-403) (from Ch. 108 1/2, par. 13-403)

2 Sec. 13-403. Military service.

3 (a) Any employee who, after commencement of service with
4 the Employer, enlisted, was inducted or was otherwise ordered
5 to serve in the military forces of the United States pursuant
6 to any law, shall receive full service credit for the various
7 purposes of this Article as though the employee were in the
8 active service of the Employer during the period of military
9 service provided that:

10 (1) such service credit shall be granted for military
11 service for which the employee volunteers or is inducted or
12 called into military service pursuant to a call of a duly
13 constituted authority or a law of the United States
14 declaring a national emergency;

15 (2) the employee returns to the employ of the Employer
16 within 90 days after the termination of the national
17 emergency; and

18 (3) the total service credit for such military service
19 shall not exceed 5 years except that any employee who on
20 July 1, 1963 had accrued more than 5 years of such credit
21 shall be entitled to the total amount thereof.

22 (b) For a ten-year period following the effective date of
23 this amendatory Act of the 96th General Assembly July 24, 2003,
24 a contributing employee or commissioner meeting the minimum
25 service requirements provided under this subsection may

1 establish additional service credit for a period of up to 4 ~~2~~
2 years of active military service in the United States Armed
3 Forces for which he or she does not qualify for credit under
4 subsection (a), provided that (1) the person was not
5 dishonorably discharged from the military service, and (2) the
6 amount of service credit established by the person under this
7 subsection (b), when added to the amount of any military
8 service credit granted to the person under subsection (a),
9 shall not exceed 5 years.

10 The minimum service requirement for a contributing
11 employee is 10 years of service credit as provided in Sections
12 13-401 and 13-402 of this Article and exclusive of Article 20.
13 The minimum service requirement for a contributing
14 commissioner is 5 years of service credit as provided in
15 Sections 13-401 and 13-402 of this Article and exclusive of
16 Article 20.

17 In order to establish military service credit under this
18 subsection (b), the applicant must submit a written application
19 to the Fund, including the applicant's discharge papers from
20 military service, and pay to the Fund (i) employee
21 contributions at the rates provided in this Article, based upon
22 the person's salary on the last date as a participating
23 employee prior to the military service or on the first date as
24 a participating employee after the military service, whichever
25 is greater, plus (ii) the current amount determined by the
26 board to be equal to the employer's normal cost of the benefits

1 accrued for such military service, plus (iii) regular interest
2 of 3% compounded annually on items (i) and (ii) from the date
3 of entry or re-entry as a participating employee following the
4 military service to the date of payment. Contributions must be
5 paid in full before the credit is granted. Credit established
6 under this subsection may be used for pension purposes only.

7 Notwithstanding any other provision of this Section, a
8 person may not establish creditable service under this Section
9 for any period for which the person receives credit under any
10 other public employee retirement system, unless the credit
11 under that other retirement system has been irrevocably
12 relinquished.

13 (Source: P.A. 93-334, eff. 7-24-03; 94-621, eff. 8-18-05.)

14 (40 ILCS 5/13-601) (from Ch. 108 1/2, par. 13-601)

15 Sec. 13-601. Refunds.

16 (a) Withdrawal from service. Upon withdrawal from service,
17 an employee under age 55 (age 50 if the employee first entered
18 service before June 13, 1997), or an employee age 55 (age 50 if
19 the employee first entered service before June 13, 1997) or
20 over but less than 60 having less than 20 years of service, or
21 an employee age 60 or over having less than 5 years of service
22 shall be entitled, upon application, to a refund of total
23 contributions from salary deductions or amounts otherwise paid
24 under this Article by the employee. The refund shall not
25 include interest credited to the contributions. The Board may,

1 in its discretion, withhold payment of a refund for a period
2 not to exceed one year from the date of filing an application
3 for refund.

4 (b) Surviving spouse's annuity contributions. A refund of
5 all amounts deducted from salary or otherwise contributed by an
6 employee for the surviving spouse's annuity shall be paid upon
7 retirement to any employee who on the date of retirement is
8 either not married or is married but whose spouse is not
9 eligible for a surviving spouse's annuity paid wholly or in
10 part under this Article. The refund shall include interest on
11 each contribution at the rate of 3% per annum compounded
12 annually from the date of the contribution to the date of the
13 refund.

14 (c) Payment of Refunds After Death. Whenever any refund is
15 payable after the death of the employee or annuitant as
16 provided for in this Article, the refund shall be paid as
17 follows: to the employee's surviving spouse, but if there is no
18 surviving spouse then in accordance with the employee's written
19 designation of beneficiary filed with the Board on the
20 prescribed form before the employee's death. If there is no
21 such designation of beneficiary, then to the employee's
22 surviving children in equal parts to each. If there are no such
23 children, the refund shall be paid to the heirs of the employee
24 according to the law of descent and distribution of the State
25 of Illinois.

26 If a personal representative of the estate has not been

1 appointed within 90 days from the date on which a refund became
2 payable, the refund may be applied, in the discretion of the
3 Board, toward the payment of the employee's or the surviving
4 spouse's burial expenses. Any remaining balance shall be paid
5 to the heirs of the employee according to the law of descent
6 and distribution of the State of Illinois.

7 Whenever the total accumulations to the account of an
8 employee from employee contributions other than the
9 contribution for the cost of living increase, including
10 interest to the employee's date of withdrawal, have not been
11 paid to the employee and surviving spouse as a retirement or
12 spouse's annuity before the death of the employee and spouse, a
13 refund shall be paid as follows: an amount equal to the excess
14 of such amounts over the amounts paid on such annuities without
15 interest on either such amount.

16 If a reversionary annuity becomes payable under Section
17 13-303, the refund provided in this section shall not be paid
18 until the death of the reversionary annuitant and the refund
19 otherwise payable under this section shall be then further
20 reduced by the amount of the reversionary annuity paid.

21 (d) In lieu of annuity. Notwithstanding the provisions set
22 forth in subsection (a) of this section, whenever an employee's
23 or surviving spouse's annuity will be less than \$200 per month,
24 the employee or surviving spouse, as the case may be, may elect
25 to receive a refund of accumulated employee contributions;
26 provided, however, that if the election is made by a surviving

1 spouse the refund shall be reduced by any amounts theretofore
2 paid to the employee in the form of an annuity.

3 (e) Forfeiture of rights. An employee or surviving spouse
4 who receives a refund forfeits the right to receive an annuity
5 or any other benefit payable under this Article except that if
6 the refund is to a surviving spouse, any child or children of
7 the employee shall not be deprived of the right to receive a
8 child's annuity as provided in Section 13-308 of this Article,
9 and the payment of a child's annuity shall not reduce the
10 amount refundable to the surviving spouse.

11 (Source: P.A. 94-621, eff. 8-18-05; 95-586, eff. 8-31-07.)

12 Section 90. The State Mandates Act is amended by adding
13 Section 8.33 as follows:

14 (30 ILCS 805/8.33 new)

15 Sec. 8.33. Exempt mandate. Notwithstanding Sections 6 and 8
16 of this Act, no reimbursement by the State is required for the
17 implementation of any mandate created by this amendatory Act of
18 the 96th General Assembly.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.